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A PROFESSIONAL ASSOCIATION

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D. KIRK SHAFFER  
WILLIAM H. WEST  
CARTER R. TODD  
THOMAS T. PENNINGTON  
DAVID T. AXFORD  
WILLIAM H. NEELY  
REBER M. BOULT

JAMES H. DRESCHER  
ELIZABETH ENOCH MOORE  
DARLENE T. MARSH  
DANIEL P. SMITH  
KIM HARVEY LOONEY  
GUILFORD F. THORNTON, JR.  
MARTIN S. BROWN, JR.  
CHARLES W. COOK III  
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NANCY A. VINCENT  
ANDREW L. SCHWARCZ  
TIMOTHY V. POTTER  
ALBERT J. BART

OF COUNSEL  
JOHN L. CHAMBERS  
LEW CONNER  
RUTH M. KINNARD  
VADEN LACKEY, JR.

\*LICENSED IN LOUISIANA ONLY

November 14, 1997

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

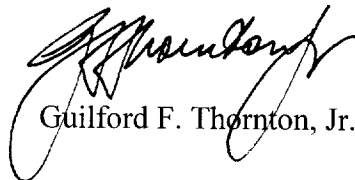
RE: Universal Service Generic Contested Case  
Docket No. 97-00888

Dear Mr. Waddell:

On behalf of BellSouth Cellular Corp, I am enclosing with this letter a copy of the executed stipulation relative to the issues to be briefed in the above referenced matter. A copy of this letter and its attachment is being distributed to parties of record.

Should you have any questions or require anything further at this time, please do not hesitate to contact me.

Sincerely,



Guilford F. Thornton, Jr.

GFT/lb

Enclosures

cc: Claiborne Barksdale  
Parties of Record

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**In Re:**

**Universal Service; Generic  
Contested Case**

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**Docket No.  
97-00888**

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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

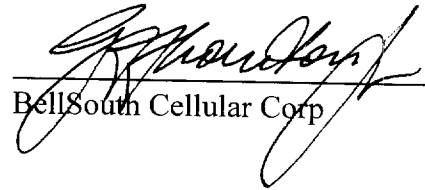
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Comes now, AT&T Communications of the South Central State, Inc., BellSouth Cellular Corp, BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, The Tennessee Municipal Telecommunications Group., TCG MidSouth, Inc., and Tennessee Department of Environment and Conservation, interested parties to this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

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The parties agreement to this stipulation is indicated by the signature of counsel:

\_\_\_\_\_  
AT&T Communications of the  
South Central States, Inc.

  
\_\_\_\_\_  
BellSouth Cellular Corp

\_\_\_\_\_  
BellSouth Telecommunications, Inc.

\_\_\_\_\_  
Ben Lomand Rural Telephone Coop.

\_\_\_\_\_  
Citizens Local Exchange Carriers

\_\_\_\_\_  
Coalition of Small LECs and  
Cooperatives

\_\_\_\_\_  
Office of the Attorney General  
Consumer Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

\_\_\_\_\_  
Electric Power Board of Chattanooga

\_\_\_\_\_  
GTE Mobilnet

\_\_\_\_\_  
MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Coop.

\_\_\_\_\_  
Time Warner Communications of  
the Mid-South

## CERTIFICATE OF SERVICE

I, Guilford F. Thornton, Jr., hereby certify that I have served a copy of the foregoing Stipulation on the individuals listed below on the 14<sup>th</sup> day of November, 1997.

Val Sanford, Esq.  
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Bass, Berry & Sims  
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Office of the Attorney General  
Consumer Advocate Division  
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Boult, Cummings, Conners & Berry  
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Nashville, TN 37219

Dana Shaffer, Esq.  
NEXTLINK  
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Carolyn Tatum-Roddy, Esq.  
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237 North 8<sup>th</sup> Street  
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Yorkville Telephone Cooperative  
Yorkville, TN 38389

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Regulatory Affairs Manager  
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Huntsville, AL 35802

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Johnson City, TN

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Director, External Affairs  
360 Communications Co.  
8725 West Higgins Road  
Chicago, IL 60631

F. Thomas Roland  
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Pam Melton, Esq.  
LCI International Telecom  
8180 Greensboro Drive, #800  
McLean, VA 22102

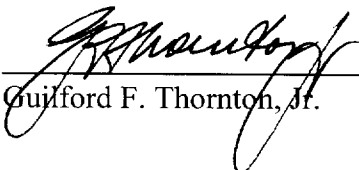
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Highland Telephone Cooperative  
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Sunbright, TN 37872

D. Billye Sanders, Esq.  
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Nashville, TN 37219-8966

  
\_\_\_\_\_  
Guilford F. Thornton, Jr.

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CARLOS C. SMITH  
WILLIAM C. CARRIGER  
RICHARD T. HUDSON  
FREDERICK L. HITCHCOCK  
EWING STRANG  
LARRY L. CASH \*  
CHRISTINE MABE SCOTT \*  
J. ROBIN ROGERS # \*  
G. MICHAEL LUHOWIAK  
JAMES L. CATANZARO, JR. +  
GREGORY D. WILLETT  
MARK W. SMITH \*  
TIMOTHY H. NICHOLS  
  
OF COUNSEL  
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TELEPHONE 423-265-2000  
FACSIMILE 423-756-5861

S. BARTOW STRANG  
1882-1954  
JOHN S. FLETCHER  
1879-1961  
JOHN S. CARRIGER  
1902-1989  
JOHN S. FLETCHER, JR.  
1911-1974  
ALBERT L. HODGE  
1910-1997  
\* ALSO LICENSED IN GEORGIA  
# ALSO LICENSED IN ALABAMA  
+ ALSO LICENSED IN ARIZONA

November 11, 1997

Mr. J. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Universal Service Generic Contested Case  
Docket No. 97-00888

Dear Mr. Waddell:

After reviewing the remaining contested issues for Phase I, the Tennessee Municipal Telecommunications Group has elected not to present direct testimony for this phase of the proceeding and not to file opening briefs.

The Tennessee Municipal Telecommunications Group, however, does not waive the right to file rebuttal testimony and responsive briefs, if appropriate.

With this understanding, enclosed is the Stipulation of the Parties of Issues to be Briefed, which we have approved on behalf of the Tennessee Municipal Telecommunications Group. A copy has been provided to counsel of record.

Sincerely yours,



William C. Carriger  
For the Firm

WCC/dh  
Enclosures  
73542  
cc: Counsel of Record

**BEFORE THE TENNESSEE REGULATORY AUTHORITY****NASHVILLE, TENNESSEE****In Re:****Universal Service; Generic  
Contested Case**)  
)  
)  
)  
)**Docket No  
97-00888**

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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

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Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group, TCG MidSouth, Inc., and Tennessee Department of Environment, interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

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The parties agreement to this stipulation is indicated by the signature of counsel:

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AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp.

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BellSouth Telecommunications, Inc.

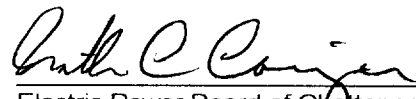
\_\_\_\_\_  
Ben Lomand Rural Telephone  
Cooperative

\_\_\_\_\_  
Citizens Local Exchange Carriers

\_\_\_\_\_  
Coalition of Small LECs and  
Cooperatives

\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

  
\_\_\_\_\_  
~~Electric Power Board of Chattanooga~~  
Tennessee Municipal Telecommunications  
Group

\_\_\_\_\_  
GTE Mobilnet

\_\_\_\_\_  
MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

LAW OFFICES

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ROBERT KIRK WALKER  
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FREDERICK L. HITCHCOCK  
EWING STRANG  
LARRY L. CASH \*  
CHRISTINE MABE SCOTT \*  
J. ROBIN ROGERS # \*  
G. MICHAEL LUHOWIAK  
JAMES L. CATANZARO, JR. +  
GREGORY D. WILLETT  
MARK W. SMITH \*  
TIMOTHY H. NICHOLS

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TELEPHONE 423-265-2000  
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November 6, 1997

S. BARTOW STRANG  
1882-1954

JOHN S. FLETCHER  
1879-1961

JOHN S. CARRIGER  
1902-1989

JOHN S. FLETCHER, JR.  
1911-1974

ALBERT L. HODGE  
1910-1997

\* ALSO LICENSED IN GEORGIA  
# ALSO LICENSED IN ALABAMA  
+ ALSO LICENSED IN ARIZONA

VIA FEDERAL EXPRESS

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

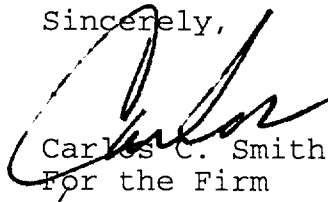
Re: Docket No. 97-00888  
Universal Service Generic Contested Case

Dear Mr. Waddell:

Enclosed is an original and thirteen (13) copies of the Notice of Agreement to the Statement of Stipulations and Contested Issues, which is being filed on behalf of the Tennessee Municipal Telecommunications Group.

Please note that the Electric Power Board of Chattanooga is one of the members of the Tennessee Municipal Telecommunications Group and accordingly separate listing of the Electric Power Board for service or otherwise is not necessary.

Sincerely,



Carlos C. Smith  
For the Firm

WCC/dh  
Enclosures  
73366  
cc: Counsel on Service List

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

In Re:

Universal Service Generic  
Contested Case

Docket No.  
97-00888

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NOTICE OF AGREEMENT TO STATEMENT OF  
STIPULATIONS AND CONTESTED ISSUES

---

Comes the Tennessee Municipal Telecommunications Group and indicates its agreement to the statement of stipulations and contested issues.

Respectfully submitted,

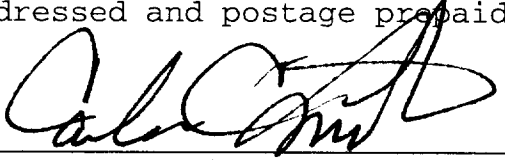
TENNESSEE MUNICIPAL  
TELECOMMUNICATIONS GROUP

By: 

Carlos C. Smith  
William C. Carriger  
Mark W. Smith  
400 Krystal Building  
One Union Square  
Chattanooga, Tennessee 37402  
(423)265-2000

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Notice of Agreement to Statement of Stipulations and Contested Issues on all parties of record by placing a copy of same in the United States Mail, properly addressed and postage prepaid on this 6th day of November, 1997.

  
\_\_\_\_\_  
Carlos C. Smith

**BOULT  
CUMMINGS  
CONNERS  
& BERRY** PLC

Attorneys at Law  
414 Union Street, Suite 1600  
P.O. Box 198062  
Nashville, Tennessee 37219  
Phone: (615) 244-2582  
Fax: (615) 252-6380  
Web Site: [www.bccb.com](http://www.bccb.com)  
E-Mail: [firminfo@bccb.com](mailto:firminfo@bccb.com)

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Message:

*Signature Page Attached.*

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THANK YOU.

The parties agreement to this stipulation is indicated by the signature of  
counsel:

\_\_\_\_\_  
AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp

\_\_\_\_\_  
BellSouth Telecommunications, Inc.

\_\_\_\_\_  
Ben Lomand Rural Telephone  
Cooperative

\_\_\_\_\_  
Citizens Local Exchange Carriers


\_\_\_\_\_  
Coalition of Small LECs and  
Cooperatives

\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

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Electric Power Board of Chattanooga

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MCI Telecommunications Corp.

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North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

**FARRIS, MATHEWS, GILMAN, BRANAN & HELLEN, P.L.C.**  
ATTORNEYS AT LAW

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HARLAN MATHEWS  
RONALD LEE GILMAN  
HOMER BOYD BRANAN, III  
TIM WADE HELLEN  
EDWIN DEAN WHITE, III  
CHARLES B. WELCH, JR.  
G. RAY BRATTON  
JOHN MICHAEL FARRIS  
O. DOUGLAS SHIPMAN  
D. EDWARD HARVEY  
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BRIAN L. KUHN  
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STEVEN C. BRAMMER  
RICHARD J. MYERS  
HAROLD W. FONVILLE, II  
FRED D. (TONY) THOMPSON, JR.  
JANA LANE SOUTHERN  
OF COUNSEL  
HENRY M. HANCOCK

November 3, 1997

**VIA FACSIMILE**

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

**Re: *Universal Service: Generic Contested Case***  
***Docket No. 97-00888***

Dear Mr. Waddell:

Per the request of the Tennessee Regulatory Authority, enclosed please find the Stipulation of Time Warner Communications of the Mid-South and Tennessee Cable Telecommunications Association.

Very truly yours,

**FARRIS, MATHEWS, GILMAN,  
BRANAN & HELLEN, P.L.C.**

*Charles B. Welch, Jr. /lh*  
Charles B. Welch, Jr.

CBW,jr/lh

C:\DATA\WELCH\LETTERS\WADDELL.B03

10/31/97 16:57 To:Chuck Welch

From:Marcia Givens

532-

Page 5/17

**BEFORE THE TENNESSEE REGULATORY AUTHORITY****NASHVILLE, TENNESSEE****In Re:****Universal Service; Generic  
Contested Case****Docket No  
97-00888**

---

**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

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10/31/97 16:57 To: Chuck Welch

From: Marcia Givens

532-1

Page 5/17

The parties agreement to this stipulation is indicated by the signature of  
counsel:

AT&T Communications of the South  
Central States, Inc.

BellSouth Cellular Corp.

BellSouth Telecommunications, Inc.

Ben Lomand Rural Telephone  
Cooperative

Citizens Local Exchange Carriers

Coalition of Small LECs and  
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Office of the Attorney General Consumer  
Advocate Division

DeKalb Telephone Cooperative, Inc.

Electric Power Board of Chattanooga

GTE Moblinet

MCI Telecommunications Corp.

NEXTLINK Tennessee

North Central Telephone Cooperative

*Charles B. Welch Jr.*  
Time Warner Communications of the  
Mid-South

*Charles B. Welch Jr.*  
Tennessee Cable Telecommunications  
Association

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JOEL M. LEEMAN  
ALLEN D. LENTZ  
JOSEPH MARTIN, JR.  
JUSTIN T. MILAM  
JEFFREY MOBLEY  
JULIE C. MURPHY

KATHRYN H. PENNINGTON  
WM. ROBERT POPE, JR.  
WAYNE L. ROBBINS, JR.  
JACK W. ROBINSON, JR.  
JACK W. ROBINSON, SR.  
VALERIUS SANFORD  
MARTY S. TURNER  
WESLEY D. TURNER  
  
JOHN D. LENTZ  
OF COUNSEL  
  
B. B. GULLETT  
1905-1992

November 11, 1997

VIA HAND DELIVERY

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37201

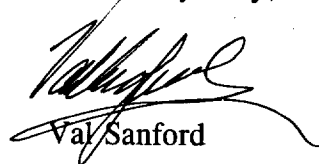
Re: *Universal Service Generic Contested Case*  
Docket No: 97-00888

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of the Stipulation of the Parties of Issues to be Briefed, signed on behalf of AT&T Communications of the South Central States, Inc.

Copies are being served on parties of record.

Yours very truly,

  
Val Sanford

VS/ghc  
Enclosure

cc: James P. Lamoureux, Esq.  
Garry Sharp

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**In Re:**

**Universal Service; Generic  
Contested Case**

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**Docket No  
97-00888**

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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

---

Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group, TCG MidSouth, Inc., and Tennessee Department of Environment, interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

**Stipulation:** The above-named parties agree that issue numbers 2, 3, 4, 6, 10, 11, 12, 13, 14 and 15 do not require the presentation of oral testimony at hearing, and instead, necessitate briefing by counsel appearing before the Authority in this matter and / or the filing of pre-filed direct testimony.

The parties agreement to this stipulation is indicated by the signature of  
counsel:

James P. Lomand (by S.S.)

AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp.

\_\_\_\_\_  
BellSouth Telecommunications, Inc.

Ben Lomand Rural Telephone  
Cooperative

\_\_\_\_\_  
Citizens Local Exchange Carriers

\_\_\_\_\_  
Coalition of Small LECs and  
Cooperatives

\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

\_\_\_\_\_  
Electric Power Board of Chattanooga

\_\_\_\_\_  
GTE Mobinet

\_\_\_\_\_  
MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

\_\_\_\_\_

\_\_\_\_\_

**BASS, BERRY & SIMS PLC**  
A PROFESSIONAL LIMITED LIABILITY COMPANY  
ATTORNEYS AT LAW

T. G. PAPPAS  
TEL: (615) 742-6242  
FAX: (615) 742-6293

2700 FIRST AMERICAN CENTER  
NASHVILLE, TENNESSEE 37238-2700  
(615) 742-6200

KNOXVILLE OFFICE:  
1700 RIVERVIEW TOWER  
KNOXVILLE, TN 37901-1509  
(423) 521-6200

November 3, 1997

**VIA FACSIMILE 741-2336**  
**AND UNITED STATES MAIL**

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Universal Service Generic Contested Case - Docket No. 97-00888

Dear Mr. Waddell:

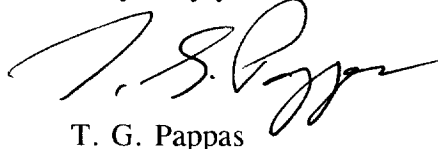
On behalf of the Coalition of Small LECs and Cooperatives enclosed please find a copy of the executed Stipulation relative to the issues to be briefed.

I am also enclosing a list of the member companies of the Coalition of Small LECs and Cooperatives. There are 22 companies and cooperatives on this list and they comprise all the Small LECs and Cooperatives operating in the State of Tennessee. I am counsel for all of them.

A copy of this letter, the Stipulation and the attachment is being forwarded to counsel of record.

Thanking you for your attention in this matter and with kindest regards, I remain

Very truly yours,



T. G. Pappas

TGP/bfs:550322

cc: Counsel of Record  
Bruce Mottern  
Thomas J. Moorman, Esq.  
Dennis McNamee, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**In Re:**

**Universal Service; Generic  
Contested Case**

)  
)  
)  
)  
)

**Docket No  
97-00888**

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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

---

Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group, TCG MidSouth, Inc., and Tennessee Department of Environment. interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

**Stipulation:** The above-named parties agree that issue numbers 2, 3, 4, 6, 10, 11, 12, 13, 14 and 15 do not require the presentation of oral testimony at

hearing, and instead, necessitate briefing by counsel appearing before the Authority in this matter and / or the filing of pre-filed direct testimony.

The parties agreement to this stipulation is indicated by the signature of counsel:

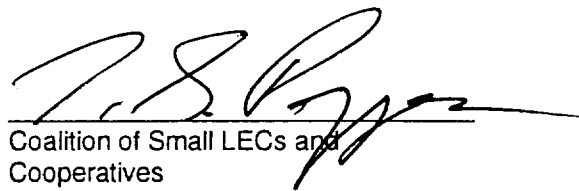
\_\_\_\_\_  
AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp.

\_\_\_\_\_  
BellSouth Telecommunications, Inc.

\_\_\_\_\_  
Ben Lomand Rural Telephone  
Cooperative

\_\_\_\_\_  
Citizens Local Exchange Carriers

\_\_\_\_\_  
  
Coalition of Small LECs and  
Cooperatives

\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

\_\_\_\_\_  
Electric Power Board of Chattanooga

\_\_\_\_\_  
GTE Mobilnet

\_\_\_\_\_  
MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

Member Companies of the Coalition of Small  
Local Exchange Carriers and Cooperatives

Ardmore Telephone Company  
Ben Lomand Telephone Co-Op  
Bledsoe Telephone Cooperative, Inc.  
Century Telephone of Adamsville  
Century Telephone of Claiborne  
Century Telephone of Ooltewah-Collegedale, Inc.  
Concord Telephone Exchange, Inc.  
Crockett Telephone Company, Inc.  
DeKalb Telephone Cooperative, Inc.  
Highland Telephone Cooperative, Inc.  
Humphreys County Telephone Company  
Loretto Telephone Company  
Millington Telephone Company  
North Central Telephone Cooperative, Inc.  
Peoples Telephone Company, Inc.  
Tellico Telephone Company, Inc.  
Tennessee Telephone Company  
Twin Lakes Telephone Cooperative, Inc.  
United Telephone Company  
West Kentucky Cooperative, Inc.  
West Tennessee Telephone Company, Inc.  
Yorkville Telephone Cooperative, Inc.

**DOCKET NO. 97-00888**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been mailed,  
U. S. mail, postage prepaid, to the following persons, this the 3 day of November, 1997.

Henry Walker  
Attorney for NextLink  
P. O. Box 198062  
Nashville, TN 37219

Guilford Thornton  
Attorney for BellSouth Cellular  
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28th Floor  
Nashville, TN 37219-2386

Mark Pasko  
Swidler & Berlin  
Atty. for AVR d/b/a Hyperion of TN  
3000 K Street NW, Suite 300  
Washington, DC 20007-5116

Dana Shaffer  
NextLink Tennessee  
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Suite 300  
Nashville, TN 37201

Chuck Welch  
Attorney for Time Warner  
Nashville City Center  
511 Union Street, Suite 2400  
Nashville, TN 37219

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Attorney for Electric Power Bd. of Chattanooga  
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Chattanooga, TN 37402

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McLean, VA 22102

Val Sanford  
Attorney for AT&T  
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Attorney for TCG MidSouth  
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Nashville, TN 37219-8966

L. Vincent Williams  
Consumer Advocate  
Cordell Hull Bldg.  
Ground Floor  
Nashville, TN 37243

H. LaDon Baltimore  
Attorney for WorldCom, Ste. 320  
211 Seventh Avenue, N.  
Nashville, TN 37219-1823

Richard Tettlebaum  
Citizens Telecommunications Co.  
Suite 500  
1400 16th Street NW  
Washington, DC 20036

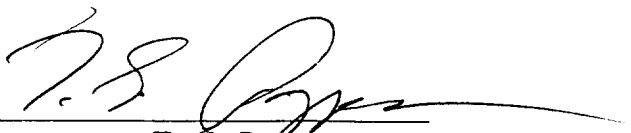
James Lamoureux  
AT&T  
Room 4068  
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Atlanta, GA 30309

William Ellenburg & Bennett Ross  
BellSouth  
675 West Peachtree Street, NE  
Suite 4300  
Atlanta, GA 30375

Jon Hastings  
Attorney for MCI  
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Nashville, TN 37219

Dan Elrod  
Ken Bryant  
Attorneys for GTE Mobilnet  
Nashville City Center, 25th Floor  
511 Union Street  
Nashville, TN 37219

Kim Kirk  
Assistant General Counsel  
Tennessee Department of Environment  
and Conservation  
312 8th Avenue North  
Nashville, TN 37243-1548

  
T. G. Pappas



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
OFFICE OF GENERAL COUNSEL  
312 8th Avenue North  
7th Floor, Tennessee Tower  
Nashville, Tennessee 37243-1548

Via Hand Delivery

November 7, 1997

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: Universal Service Generic Case - Docket No. 97-00888

Dear Mr. Waddell:

Enclosed is a copy of the Stipulation of the Parties of Issues to Be Briefed, which has been signed by the Tennessee Department of Environment and Conservation. The only request which we have is that the stipulation document be revised to correct the title of our department.

A copy of this letter and the stipulation is being forwarded to counsel of record.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, reading "Kim L. Kirk". The signature is fluid and cursive, with the first name "Kim" and last name "Kirk" clearly legible.

Kim L. Kirk  
Assistant General Counsel

---

West Kentucky Rural Telephone Cooperative  
Corp.

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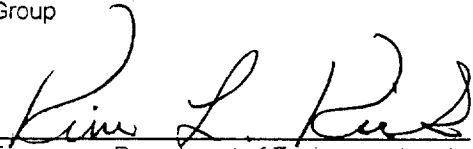
Yorkville Telephone Cooperative

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Tennessee Municipal Telecommunications  
Group

---

TCG MidSouth, Inc.

-   
Tennessee Department of Environment and  
Conservation

- .  
Bledsoe Telephone Cooperative

---

Highland Telephone Cooperative, Inc.

## FACSIMILE TRANSMISSION

SPRINT

14111 CAPITAL BOULEVARD (2350)  
WAKE FOREST, NORTH CAROLINA 27587-5900  
LEGAL DEPARTMENT

DATE: 10/7/97  
TO: David Waddell  
FAX NO. 615-741-5015

FROM: JIM WRIGHT  
PHONE: 919-554-7587  
FAX: 919-554-7913  
OPERATOR: Mavis House  
OPERATOR NO. 919-554-7608

Number of pages including this page: 2

COMMENTS: Per your 10/31/97 memo re the  
USF Stipulation. Although I believe the  
"Notice of Filing Requirements" indicates that since  
we signed the original stipulation we need  
not re-sign, I am filing this signed page  
to remove any possible ~~uncet~~ uncertainty. Jim Wright

**CONFIDENTIALITY NOTICE:** The documents comprising this facsimile transmission contain confidential information belonging to the sender which is legally privileged. The information is intended only for the use of the individual or entity recipient named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or taking of any action in reliance on this information is strictly prohibited. If you have received this facsimile transmission in error, please immediately notify us by telephone to arrange for return of the original documents to us.

The parties agreement to this stipulation is indicated by the signature of counsel:

\_\_\_\_\_  
AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp.

\_\_\_\_\_  
BellSouth Telecommunications, Inc.

\_\_\_\_\_  
Ben Lomand Rural Telephone  
Cooperative

\_\_\_\_\_  
Citizens Local Exchange Carriers

\_\_\_\_\_  
Coalition of Small LECs and  
Cooperatives

\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

\_\_\_\_\_  
Electric Power Board of Chattanooga

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GTE Mobilnet

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MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

\_\_\_\_\_  
*James B. Wright* 10/7/97  
United Telephone - Southeast, Inc.  
Sprint Communications Co. LP



James P. Lamoureux  
Attorney

NOV 7 PM 3 55

SECRETARY

Room 4066  
1200 Peachtree St., N. E.  
Atlanta, GA 30309  
404 810-4196  
FAX: 404 810-8629

November 7, 1997

David Waddell  
Executive Director  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: *Universal Service Generic Contested Case*  
*Docket 97-00888*

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of AT&T's comments to the Statement of Stipulations and Contested Issues in the above referenced docket.

If you have any further questions, please contact Garry Sharp at 259-2830 or Carroll Wallace at 242-2813.

Sincerely,

  
Jim Lamoureux

cc: all parties of record

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

***UNIVERSAL SERVICE GENERIC CONTESTED CASE***

***DKT. NO. 97-00888***

**COMMENTS OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES,  
INC. TO THE STATEMENT OF STIPULATIONS AND CONTESTED ISSUES**

Pursuant to the October 31, 1997, Notice to the Parties of Filing Requirement issued in this proceeding, AT&T Communications of the South Central States, Inc. ("AT&T") hereby offers the following Comments to the *Statement of Stipulations and Contested Issues* filed on October 29<sup>th</sup> by Time Warner Communications of the Mid-South, L.P., BellSouth Cellular Corp., BellSouth Association, United Telephone-Southeast, Inc. and Sprint Communications Company, L.P., MCI Telecommunications Corporation, Citizens Telecommunications Company of Tennessee, L.L.C. and Citizens Telecommunications Company of the Volunteer State, L.L.C., and Coalition of Small LECs and Cooperatives.

**ISSUE 1:** AT&T partially agrees with this stipulation. AT&T believes that only primary lines for basic residential service should be supported. In addition, Lifeline and Linkup are not "services" that should be included in the definition of services that should be made universally available. Lifeline and Linkup are pricing mechanisms not services.

**ISSUE 1a:** AT&T agrees with this stipulation.

**ISSUE 1b:** AT&T partially agrees with this stipulation. AT&T recommends that the stipulation language be revised as follows:

**Stipulation:** No, except for Lifeline and Link-up.

**ISSUE 1c:** AT&T agrees with this stipulation.

**ISSUE 1d:** AT&T agrees with this stipulation provided the stipulation language be revised as follows:

**Stipulation:** "No."

**ISSUE 1e:** AT&T agrees with this stipulation provided the stipulation language be revised as follows:

**Stipulation:** "No."

**ISSUES 2**

**& 2a:**

AT&T does not agree with the stipulation. The stipulation is not responsive. AT&T is unable to comment on the ability of other carriers to provide all elements of universal service. However, the FCC found that it is possible that some carriers may not be able to provide single party service, E-911, or toll limited service.

**ISSUE 3:** AT&T agrees with the terms of the stipulation, provided that the phrase "at a minimum" is deleted. Inclusion of the phrase "at a minimum" leaves the stipulation open and could possibly imply acceptance of additional terms to the stipulation. AT&T therefore recommends that the stipulation language be revised as follows:

**Stipulation:** Any carrier who can demonstrate compliance with the requirements of Section 214 (e)(1) of the Act is eligible to receive support.

**ISSUE 3a:** AT&T does not agree with the stipulation language. Only the first sentence of the stipulation is responsive to the question. Therefore AT&T recommends that the stipulation language be limited to the first sentence.

**ISSUE 3b:** AT&T takes no position on this stipulation at this time.

- ISSUE 3c:** AT&T partially agrees with this stipulation. The stipulation should be revised to read:
- Stipulation:** "Yes, the TRA should adopt only the federal advertising guidelines as set forth in Section 214 (e) (1) (B).
- ISSUE 3e:** AT&T agrees with this stipulation.
- ISSUE 3f:** AT&T declines to agree with this stipulation. The proposed response is not responsive to the request.
- ISSUE 4:** AT&T declines to agree with this stipulation based on our response to 4a.
- ISSUE 4a:** AT&T recommends that the stipulation language be revised as follows:
- Stipulation:** No.
- ISSUE 4b:** AT&T agrees with this stipulation.
- ISSUE 4c:** AT&T agrees with this stipulation.
- ISSUE 5a :** AT&T agrees with the stipulation.
- ISSUE 5b:** AT&T declines to stipulate to this language because it does not clearly, concisely or accurately describe the geographic areas an ETC should be obligated to serve.
- ISSUE 6:** AT&T agrees with the stipulation.
- ISSUES 6a  
& 6b:** AT&T agrees with the stipulations.
- ISSUE 10a:** AT&T is unclear what is meant by this stipulation. AT&T does not agree with this stipulation.
- ISSUE 10b:** AT&T agrees with this stipulation.

**ISSUE 10c:** AT&T agrees with this stipulation provided the stipulation is revised to read " . . . or by other explicit means."

**ISSUE 11:** AT&T agrees with this stipulation provided it is revised as follows:

**Stipulation:** No additional support should be provided.

**ISSUE 11a:** AT&T disagrees with this stipulation as worded. AT&T believes that the TRA has stated what discounts are available in Tennessee and at what levels when it adopted the federal discount matrix.

**ISSUE 11b:** AT&T agrees with this stipulation No additional support should be provided.

**ISSUES 12a**  
**& 12b:** AT&T agrees with these stipulations.

**ISSUE 13:** AT&T does not agree with the stipulation language because it inappropriately restricts the monitoring to quality of service issues only and does not address whether the support is being used as intended.

**ISSUE 13a:** AT&T does not agree with the stipulation language. The TRA needs the power to continue to determine if support is being used as intended.

**ISSUE 14:** AT&T will not agree to stipulate to the responses given to Issue 14. Ideally, the Tennessee statutes should be rewritten to conform more closely to the federal. However, as a practical matter, it is probably not expedient to undertake such an effort at this time. As will be discussed below in response to sub issue (e), the TRA should seek clarification on its power to delegate responsibility for the administration of the State universal service support mechanism. In addition, as controversies develop, issues are likely to arise as to the TRA's power to participate in federal programs under the Federal Telecommunications Act; see, e.g., the issues raised by the TRA as to the Eleventh Amendment and related issues in the litigation in the United States District Court. Therefore, it may be advisable to seek the passage of a statute making it clear that the TRA has the power to participate in carrying out the purposes of the Federal Act.

**ISSUE 14a:** There is no "conflict". However, the Tennessee statute will control the Tennessee mechanism in this regard, since it is not preempted. T.C.A. Sec. 65-5-207(C) specifies what the TRA "shall" do in establishing an alternative universal service support mechanism. Section 254(e) of the Federal Act provides that support "should be explicit." In deciding not to remove implicit access charge support immediately, the FCC, in its Access Charge Reform First Report and Order at para. 19, emphasized the distinction between "shall" and "should". Under the Tennessee statute, the TRA does not have the discretion which the FCC has under the Federal statute.

**ISSUE 14b:** The Federal statute, sec. 254(b)(5) and (f) speaks of state mechanisms as being "sufficient." T.C.A. sec. 65-5-207(c)(3) provides that the Authority shall, "order only such contributions to the universal service support mechanism as are necessary to support universal service and fund administration of the mechanism." Thus, there is a difference in wording and in emphasis, but any state mechanism should comply with both the Federal and State statute.

**ISSUE 14c:** At this state of the proceeding, it is not feasible to answer this question definitively. The question should be addressed in the development of a comprehensive universal service plan to be embodied in the TRA's final order in this proceeding.

**ISSUE 14d:** See response to Issue 14c.

**ISSUE 14e:** AT&T favors administration by an independent, competitively neutral administrator under appropriate standards. No statute expressly gives the TRA the power to contract out, i.e., to privatize, any of its functions. T.C.A. sec. 65-5-207(C)(4) provides that the TRA shall "Administer the universal service support mechanism in a competitively neutral manner, and in accordance with established authority rules and federal statutes.

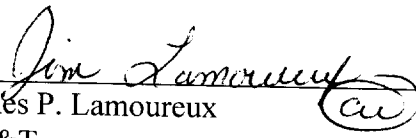
The statute could be construed as requiring the TRA to administer the universal service support mechanism itself.

The general rule is that administrative agencies have only those powers expressly, or by necessary implication, provided by statute. Tennessee Carolina Transportation, Inc. v. Pentecost, 206 Tenn. 551, 556, 334 S.W. 2d 950 (1960); Madison Loan & Thrift Co. v. Neff, 648 S.W.2d 655, 657 (Tenn. App. 1982); Tennessee Cable Television Ass'n v. TPSC, 844 S.W.

2d 151, 159 (Tenn. App. 1992). The danger in proceeding without express authorization is that any unfavorable action by the administrator is likely to be challenged. That possibility could be avoided by a short, simple, good little bill, which should not arouse opposition.

AT&T suggests that the TRA either request an opinion from the Attorney General as to its power to contract for the administration of the universal service support mechanism, or seek the passage of a simple statute to make certain it has that power.

Submitted this 7th day of November, 1997.

  
James P. Lamoureux  
AT&T  
Room 4060  
1200 Peachtree Street, N.E.  
Atlanta, GA 30309

Attorney for AT&T Communications of the  
South Central States, Inc.

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE

IN RE: UNIVERSAL SERVICE  
PROCEEDING

)  
)  
) DOCKET NO. 97-00888  
)  
)

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COMMENTS

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Comes the Consumer Advocate Division (Consumer Advocate) to respectfully submit these comments addressing the proposed stipulation filed by several of the utilities in Docket 97-00888. The Consumer Advocate asks that the Directors and the Hearing Officer take notice that the Consumer Advocate was not asked and was not involved in the negotiations or in the drafting of the stipulation proposed by the utilities and submitted to the Tennessee Regulatory Authority on October 29, 1997.<sup>1</sup> Many of the stipulations do not provide statutory support for the proposed outcome. The Consumer Advocate also asks that the Directors and the Hearing Officer take notice that we will not stipulate to the following proposals made by the utilities in this proceeding.

**Issue 1. (B) Should we provide support in addition to Federal mandated services?**

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<sup>1</sup>The proposed stipulation was delivered to the Consumer Advocate on October 30, 1997 (See Attachment A). From the cover letter, it appears that the stipulation was actually filed in docket 97-01262 Petition to Convene a Contested Case Proceeding to Establish "Permanent Prices" for Interconnections and Unbundled Network Elements.

Proposed Stipulation: No. Additional service should not be supported at this time except to maintain the educational discounts existing on the effective date of TCA § 65-5-208(a)(1).

We cannot agree that the educational discounts existing on the effective date of Tenn. Code Ann. § 65-5-208 that exceed the discounts provided under federal law are properly includable as universal service. While the educational discounts are basic service, Tenn. Code Ann. § 65-5-207 defines universal service as, “consisting of **residential basic local exchange telephone service** at affordable rates and carrier-of-last-resort obligations must be maintained after the local telecommunications markets are opened to competition.” The discounted educational services classified as basic service under Tenn. Code Ann. § 65-5-208 are not residential services and therefore do not meet the definition of universal service under Tennessee law.

**Issue 1.(d) Does Tennessee Relay Center need to be addressed in this proceeding?**

Proposed Stipulation: No. The TRA should initiate a separate generic case proceeding to develop a competitively neutral recovery mechanism for Telephone Relay Service. The Parties agree that the mechanism should appear as a separate **line item on end-user bills**. (emphasis added.)

We do not agree. Dual Party Relay Service was a basic service being provided to hearing or speech impaired residential customers on June 6, 1995. As a result it meets the requirements of Tenn. Code Ann. § 65-5-208. Since Tenn. Code Ann. § 65-5-207 defines universal service as residential basic service, Dual Party Relay, at least to the extent that it is being provided to residential customers, is properly included in this proceeding. We specifically disagree with the

proposed separate line item charge on the end-users bills.

**Issue 3. What carrier/providers are eligible to receive support?**

Proposed Stipulation: At a minimum, any carrier who can demonstrate compliance with the requirements of Section 241(e)(1) of the Act is eligible to receive support.

We cannot agree due to the vagueness of the proposed stipulation. The phrase “at a minimum” indicates that there is no real agreement. As written, it appears that the parties have reserved the right to argue for requirements in addition to those required under Section 214(e)(1). As a result it appears that this may, in effect, continue to be a contested issue.

**Issue 4. Define carrier of last resort designation.**

Proposed Stipulation: At a minimum, “carrier of last resort” should reflect the Federal definition of “eligible telecommunications carrier”.

**a. Is the term still relevant?**

Proposed Stipulation: No, not in the context of this proceeding.

**b. If so, how do we designate?**

Proposed Stipulation: If so, how do we designate?

**c. Can a carrier of last resort withdraw service and if so how?**

Proposed Stipulation: The TRA should implement the Federal rules (§54.205) regarding ETC withdrawal of service.

We cannot agree. The proposed stipulation is vague. The utilities have used the term “at a minimum” that indicates that there is no real agreement and that the parties may continue to contest the criteria used to designate a carrier of last resort. It is not clear if the parties intend to

argue that additional eligibility requirements should be adopted. The proposed stipulation has little or no effect.

In addition, the utilities have taken the position that although this proceeding is to address universal service as defined under Tenn. Code Ann. §65-5-207 the “carrier of last resort” is no longer relevant even though the Tenn. Code Ann. §65-5-207 specifically defines universal service as “consisting of residential basic local exchange telephone service at affordable rates **and carrier-of-last resort obligation. . .**” The utilities have offered no support for determining that a requirement of a statute properly enacted by the Tennessee General Assembly and the Governor is no longer relevant.

**(b) Should ETC and service area be the same?**

Proposed Stipulation: For rural incumbent carriers, the ETC and the service area (or FCC-designated study areas) are the same. **For non-rural carriers, ETC and service area are the same if the service area is no larger than a wire center.** (emphasis Added.)

Contested Issue: Should the service areas for CLECs applying for ETC status in a rural area be defined as only the contiguous service areas of the rural ILEC?

We do not agree. The proposed stipulation is vague and may have uncertain ramifications. It isn’t clear what the phrase, “For non-rural carriers, ETC and service area are the same if the **service area is no larger than a wire center,**” means.

Does it mean that the TRA must determine universal service costs and rates on a wire center by wire center basis? Does this proposed stipulation require the TRA to break down BellSouth’s, Citizen Telecom’s and United Telephone - Southeast’s current service areas into

increments no larger than wire centers and determine the universal service cost for each such wire center? Does it mean that competing local exchange carriers (CLECs) will be required to establish their service areas on a wire center by wire center basis that coincide with the incumbent local exchange companies' (ILECs') existing wire centers? Would CLECs that do not request to be classified as an ETC be required to designate their service areas in the same manner?

This stipulation would also appear to be tied directly to issue 9(b).

Issue 9(b): What is the proper territorial scope of universal service rates (e.g., statewide by carrier, by service area, or by category of support.)

The utilities have listed 9(b) as a Contested issue. If the utilities agree that the service areas must be established, at a minimum, on a wire center basis, why is there a debate concerning the application of universal rates on a statewide or service area by service area basis?

**Issue 10 (c). What funding mechanism should be adopted to fund Lifeline and Linkup?**

Proposed Stipulation: In addition to the federal funding mechanism for Lifeline and Link-Up programs, and explicit state funding mechanism should be established for any TRA mandated reduction in end-user charges not funded from federal sources. State funding could come from **an explicit surcharge on end-users bills**, an explicit intrastate fund for Lifeline support, or by other means. (Emphasis added.)

We do not agree. This wording may indicate that an explicit surcharge on end-users bills is preferable. We do not support such an end user charge.

This proposed stipulation is also vague to the extent that it is meaningless. While the

utilities have agreed that an explicit funding mechanism should be adopted for any state ordered Lifeline and Link-Up programs, they have not responded to the issue and proposed a funding mechanism. Instead they have made vague suggestions, (1) an explicit surcharge on end-users bills, (2) an explicit intrastate fund, or (3) some other means. If the utilities are in fact willing to accept, without objections, any other means of funding that the TRA might propose, the stipulation should be so modified.

**Issue 11.      What support in addition to the Federal support already adopted by the TRA should be provided to schools and libraries?**

Proposed Stipulation: TCA §65-5-208(a)(1) requires pre-existing state discounts for schools libraries be continued. However, the **Parties agree that no additional state support should be implemented.**(emphasis added.)

Contested Issue:      Is an explicit support mechanism necessary for existing state educational discounts.

We do not agree. Prior to making a decision on this issue, TRA should join the Tennessee Department of Education, the TEA, or other such parties to address this question. Considering the wording of the Tennessee statutes, it is not clear what additional services could be included. While the educational discounts are classified as basic services under Tenn. Code Ann. § 65-5-208, universal service is defined by Tenn. Code Ann. §65-5-207(a) as consisting of **residential basic local exchange telephone service** at affordable rates and carrier-of-last-resort obligations must be maintained after the local telecommunications markets are opened to competition. Since educational discounts are not residential services, are they part of universal

service as defined by the statute? Without specific authority under Tennessee law, does the TRA have the power to establish any service beyond what is prescribed by the FCC?

The TRA may very well need to consider this issue and determine if a recommendation should be made to the General Assembly to modify the existing statute.

**Issue 12.      What should be provided to health care providers?**

- (a)      Should the TRA provide support in addition to that provided for by the Act and the FCC?**

Proposed Stipulation: No.

We do not agree. Prior to making a decision the TRA should join the Tennessee Department of Health and Environment, medical associations, or other such parties to address this question.

Considering the wording of the Tennessee statutes, it is not clear what additional services for health care providers, beyond those required by federal law, could be included in universal service. Universal support to health care providers is not addressed under Tennessee law. Universal service is defined under Tenn. Code Ann. § 65-5-207(a) as “consisting of **residential basic local exchange telephone service** at affordable rates and carrier-of-last-resort obligations must be maintained after the local telecommunications markets are opened to competition.” (emphasis added.) If it is determined that the TRA does not have authority to provide additional service, it may wish to make recommendations to the General Assembly concerning modifications to the present statutes.

**Issue 13. How should the TRA monitor provisions of supported services to determine if support is being used as intended until competition develops?**

Proposed Stipulation: The TRA should continue to monitor the quality of service provided by ETCs until there are two or more ETCs offering services in a given area.

- a. Does the TRA need cost allocation rules or accounting safeguards to determine that services supported do not bear more than a reasonable share of joint and common cost or otherwise unnecessarily subsidize a service?**

Proposed Stipulation: No. Once universal service joint and common cost are determined in Phase II of this proceeding, cost allocations rules and accounts safeguards will not be necessary.

We do not agree. Cost allocation rules and accounting safeguards are needed to insure that universal service funding is not used to subsidize competitive operations.

Tenn. Code Ann. § 65-5-207 (c) “[ requires the TRA to] create an alternative universal service support mechanism that replaces current sources of universal service support only if it determines that the alternative will preserve universal service, protect consumer welfare, be fair to all telecommunications service providers, and **prevent the unwarranted subsidization of any telecommunications service provider's rates by consumers or by another telecommunications service provider.**”(emphasis added.)

....

Tenn. Code Ann. §65-5-207 (c)(1) “[requires the TRA to], Restrict recovery from the mechanism by any telecommunications service provider to an **amount equal to the support necessary to provide universal service**”(emphasis added.);

Tenn. Code Ann. § 65-5-207(d) provides as follows: “The authority **shall monitor the continued functioning of universal service mechanisms** and shall conduct investigations, issue show cause orders, entertain petitions or complaints, or adopt rules in order **to assure that the universal service mechanism is modified and enforced in accordance with the criteria set forth in this section.**” (emphasis added.)

Without cost allocation and accounting safeguards, the TRA will be unable to properly monitor and assure that the universal service mechanism is enforced in accordance with the Tennessee Statute.

Federal law also requires the State to insure that universal services bear no more than a reasonable share of the joint and common cost. The Telecommunications Act of 1996 Section 254(k) provides:

**SUBSIDY OF COMPETITIVE SERVICES PROHIBITED.--A telecommunications carrier may not use services that are not competitive to subsidize services that are subject to competition. The Commission, with respect to interstate services, and the States, with respect to intrastate services, shall establish any necessary cost allocation rules, accounting safeguards, and guidelines to ensure that services included in the definition of universal service bear no more than a reasonable share of the joint and common costs of facilities used to provide those services.** (emphasis added.)

The determination of the cost of universal service is not a one time event. The TRA must continue to monitor to insure that the services included in the definition of universal service bear no more than a reasonable share of joint and common costs. Therefore allocation rules and accounting safeguards are necessary to provide the TRA the cost data needed for such

monitoring.

**14. Are any changes in state laws or rules needed?**

While other parties do not identify any needed changes in state law, they agree that the TRA must adopt universal service items included under the Federal definition but not included in the Tennessee Statute. (See stipulation to issue 1, 1 (a), and 1(b).

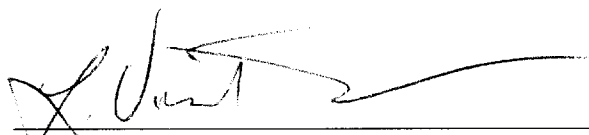
How can the TRA expand the definition of Universal Service under Tennessee Law?  
Does the TRA have such authority?

The possible need for changes in state laws is also evident under Issue 6 d.

**Does state or Federal law require contributions or participation from carriers not under TRA authority?**

The other parties agree that contributions are required from carriers not under the TRA authority. If Tennessee law doesn't give the TRA authority over such carriers, how can the TRA enforce a funding mechanism that requires such carriers to contribute? Is there a need for state legislation to explicitly give the TRA such authority to require contributions from such carriers?

Respectfully submitted,

  
\_\_\_\_\_  
L. Vincent Williams

## Certificate of Service

I hereby certify that a true and correct copy of the comments was served on parties of below via U.S. Mail, postage prepaid, this November 7, 1997.

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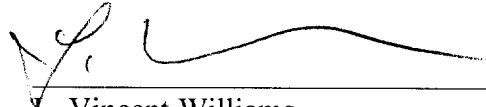
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October 29, 1997 **STATE ATTORNEY GENERAL**  
**CONSUMER ADVOCATE DIVISION**

**HAND DELIVERY**

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Petition to Convene a Contested Case Proceeding to Establish  
"Permanent Prices" for Interconnection and Unbundled Network Elements  
Docket No. 97-01262

Dear Mr. Waddell:

Enclosed for filing in the above-referenced case are the original and thirteen copies of the Statement of Stipulations and Contested Issues submitted on behalf of the Time Warner Communications of the Mid-South, L.P., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Tennessee Cable Telecommunications Association, United Telephone-Southeast, Inc., Sprint Communications Company, MCI Telecommunications Corporation, Citizens Telecommunications Company of Tennessee, L.L.C. and Citizens Telecommunications Company of the Volunteer State, L.L.C.

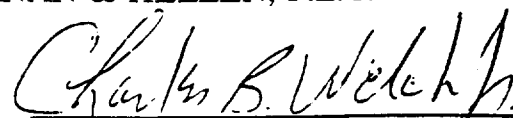
AT&T Communications of the South Central States, Inc. and NEXTLINK Tennessee, L.L.C. have participated in negotiations, but due to time constraints do not join in this Statement of Stipulations and Contested Issues.

Copies are being served on counsel for known interested parties.

Very truly yours,

FARRIS, MATHEWS, GILMAN,  
BRANAN & HELLEN, P.L.C.

By:



Charles B. Welch, Jr.

CBW,jr:cg

cc: Carolyn M. Marek

Parties of Record

CAWP51\MAIN\TCTA\LETTERS\WADDELL4.262

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**In Re:**

**Universal Service Generic  
Contested Case**

**Docket No.  
97-00888**

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**STATEMENT OF STIPULATIONS AND CONTESTED ISSUES**

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Comes now, Time Warner Communications of the Mid-South, L.P. ("Time Warner"), BellSouth Cellular Corp., BellSouth Telecommunications, Inc. ("BellSouth"), Tennessee Cable Telecommunications Association ("TCTA"), United Telephone-Southeast, Inc. and Sprint Communications Company, L.P. ("Sprint"), MCI Telecommunications Corporation ("MCI"), Citizens Telecommunications Company of Tennessee, L.L.C. and Citizens Telecommunications Company of the Volunteer State, L.L.C. ("Citizens"), and Coalition of Small LECs and Cooperatives, interested parties in this matter, and submit their statement of stipulations of fact and law and contested issues for decision by the Tennessee Regulatory Authority, as follows:

1. Define and determine what services are to be supported by a Tennessee universal service support system?

**Stipulation:** The following services should be supported by a Tennessee universal service support system (items 1 -8 are from the Federal definition; items 9 and 10 are from the Tennessee statute):

- (1) Single party service;
- (2) voice grade access to public switched network;
- (3) DTMF signaling or its functional equipment;
- (4) access to 911 emergency services;
- (5) access to operator services;

- (6) access to interexchange service;
- (7) access to directory assistance;
- (8) toll control or toll blocking for qualifying low income customers;
- (9) Lifeline;
- (10) Link-up Tennessee.

The Parties agree that primary lines for basic residential service should be supported.

**Contested Issue:** Should secondary residential lines and/or single lines for business receive support from the universal service support system?

- a. Do we use state or Federal defined services?

**Stipulation:** The Federal definition should be used with the addition of the two items from the Tennessee statute, and clarification on toll limitations to recognize the technical limitations associated with toll control (see above).

- b. Should we provide support in addition to Federal mandated services?

**Stipulation:** No. Additional services should not be supported at this time except to maintain the educational discounts existing on the effective date of TCA §65-5-208(a)(1).

- c. What are the universal service core elements?

**Stipulation:** See response to Issue 1.

- d. Does Tennessee Relay Center need to be addressed in this proceeding?

**Stipulation:** No. The TRA should initiate a separate generic case proceeding to develop a competitively neutral recovery mechanism for Telephone Relay Service. The Parties agree that the mechanism should appear as a separate line item on end-user bills.

- e. Do public interest payphones, if determined to be necessary, need to be addressed in this proceeding?

**Stipulation:** No. The Parties agree that this issue should be addressed in the pending payphone docket, Docket 97-00409, or another proceeding.

- 2. Will all carriers be able to provide all elements of universal service?

**Stipulation:** The TRA has authority to certify telecommunications service providers in Tennessee as “Eligible Telecommunications Carriers (ETC)” based on the Federal requirements outlined in Section 214(e)(1). The FCC does allow an exception to these requirements. (FCC’s Rule §54.101(c)). Upon petition to the TRA, a carrier incapable of providing single party service, E-911, or toll limitation services may receive Federal universal service support for a grace period to allow for completion of network upgrades to provide these components. The TRA should also adopt this exception for intrastate universal service support.

a. How should the TRA address “exceptional circumstances”?

**Stipulation:** The FCC rules should be followed for addressing “exceptional circumstances”. (See response above.)

3. What carriers/providers are eligible to receive support?

**Stipulation:** At a minimum, any carrier who can demonstrate compliance with the requirements of Section 214(e)(1) of the Act is eligible to receive support.

a. What procedures will the TRA use for designating ETC.

**Stipulation:** Carriers should file a motion (as the TRA has requested in this docket) or a petition (for those carriers requesting designation as an ETC in the future) with the TRA for its approval. The TRA must ensure that the ETC at a minimum has met the requirements in Section 214(e)(1). Section 214(e)(1) does not prohibit a state from establishing additional criteria for designation of ETCs in connection with the state’s Universal Service Fund, consistent with Section 254(f).

**Contested Issue:** What, if any, additional criteria should the state establish for the designation of ETCs?

b. Should those companies not under TRA authority be designated as an ETC?

**Stipulation:** Yes, if a company is eligible for designation as an ETC and is willing to comply with the TRA’s procedures, rules, and regulations governing universal service support administration.

c. Should the TRA adopt the Federal advertising guidelines?

**Stipulation:** Yes, the TRA should adopt the Federal advertising guidelines as set forth in Section 214(e)(1)(b).

- d. Should the TRA adopt the Federal facilities requirements?

**Contested Issue.**

- e. Must a carrier participate in this proceeding to be eligible for designation as an ETC?

**Stipulation:** No.

- f. What procedure is necessary to ensure that all rural carriers satisfy notice of status requirement?

**Stipulation:** No procedure is necessary. If a rural carrier does not apply for rural carrier status, such status will not be conferred.

4. Define carrier of last resort designation.

**Stipulation:** At a minimum, "carrier of last resort" should reflect the Federal definition of "eligible telecommunications carrier".

- a. Is this term still relevant?

**Stipulation:** No, not in the context of this proceeding.

- b. If so, how do we designate?

**Stipulation:** Not applicable.

- c. Can a carrier of last resort withdraw service and if so how?

**Stipulation:** The TRA should implement the Federal rules (§54.205) regarding ETC withdrawal of service.

5. Define service areas.

**Stipulation:** See Stipulation to Issue 5(a).

- a. How does the TRA designate service areas for rural and non-rural areas?

**Stipulation:** The Act defines the service areas of rural carriers in Section 214(e)(5) which should control until such time as these areas are redefined by the TRA. Service areas served by non-rural carriers should generally be defined as an area no larger than a wire center, but should not preclude a Census Block Group ("CBG").

**Contested Issue:** Should non-rural service areas be defined as "wire center", or a "CBG"?

b. Should ETC and service area be the same? If not, what are alternatives?

**Stipulation:** For rural incumbent carriers, the ETC and the service area (or FCC-designated study areas) are the same. For non-rural carriers, ETC and service area are the same if the service area is no larger than a wire center.

**Contested Issue:** Should the service areas for CLECs applying for ETC status in a rural area be defined as only the contiguous service areas of the rural ILEC?

c. Should rural carriers be required to file proposed service area and can others comment on that filing?

**Stipulation:** This is a moot point for incumbent rural carriers as the proposed service areas are defined by the Act. Rural CLEC carriers should be required to file a proposal subject to comment.

d. Determine if there are any unserved areas in Tennessee.

**Stipulation:** The Parties are unaware of any areas where customers' service requests are not being met.

6. What carriers/providers must provide support under a Tennessee universal service system?

**Stipulation:** Section 254(f) of the Act requires "Every telecommunications carrier that provides intrastate telecommunications services shall contribute...to the preservation and advancement of universal service in that state."

a. Define telecommunications carrier. Is the TRA required to use the Federal definition?

**Stipulation:** Yes. The TRA must adopt the Federal definition as set forth in Section 3(a)(49) of the Act.

b. Does state or Federal law require contributions or participation from carriers not under TRA authority?

**Stipulation:** Yes.

7. How do we determine if rates are affordable?

**Contested Issue.**

a. If current rates are set using existing statutes, are rates considered affordable?

**Contested Issue.**

b. Must the TRA use Federal standards for affordability?

**Contested Issue.**

c. If so, how do we gather information and apply the Federal standards in this case?

**Contested Issue.**

8. How does the TRA define implicit and explicit subsidies?

**Contested Issue.**

a. Determine definition.

**Contested Issue.**

b. How does the TRA determine implicit subsidies in current rates?

**Contested Issue.**

c. How does the TRA make implicit support explicit as defined by the Act and the FCC?

**Contested Issue.**

d. What cost methodology should be used to determine existing implicit subsidies?

**Contested Issue.**

e. Should the TRA identify implicit subsidies by element or groups of elements?

**Contested Issue.**

9. Preliminary cost modeling issues.

**Stipulation:** The Parties agree and mutually request that only items 9(b),(j) and (k) be addressed in Phase I of this proceeding. The other items should be addressed in Phase II. Additionally, the Parties recommend that in Issue 9(j), the term "network elements" be replaced with the term "service revenues".

**Contested Issue:** No stipulation was reached on the answers to these issues.

- a. Should universal service cost studies be company-specific or generic?

**Contested Issue.**

- b. What is the proper territorial scope of universal service rates (e.g., statewide by carrier, by service area, or by category of support?)

**Contested Issue.**

- c. What is the proper level to which deaveraging should be applied in the cost studies?

**Contested Issue.**

- d. Should rural and non-rural study areas be combined or separated in the cost studies?

**Contested Issue.**

- e. Which network elements are necessary to provide services included in universal service?

**Contested Issue.**

- f. Should universal service cost studies be based on cost studies for permanent UNE prices?

**Contested Issue.**

- g. Should costs be developed on a combined or intrastate basis?

**Contested Issue.**

- h. Should state specific or federal factors be used in the cost studies?

**Contested Issue.**

- i. Is it possible to create a hybrid model from the individually proposed models?

**Contested Issue.**

- j. Which network elements should be included in the revenue benchmark?

**Contested Issue.**

- k. What time period should be used to calculate the revenue benchmark?

**Contested Issue.**

10. How should the TRA determine the basis for support for low income consumers?

**Stipulation:** See Stipulations in Items 10(a) - (c).

- a. Should the TRA change its existing Lifeline program?

**Stipulation:** Yes. The TRA should notify the FCC of its approval of the additional \$3.50 reduction in intrastate Lifeline rates provided by the additional Federal support amount set forth in the FCC's Order in CC Docket No. 96-45, adopted May 7, 1997.

Eligible telecommunications carriers must comply with the requirements of the federal Lifeline program and the low income consumer eligibility requirements set forth by the TRA.

- b. What standards and procedures should be adopted to address waiver requirements to the no-disconnect rule?

**Stipulation:** The TRA should adopt the waiver requirements set forth in FCC Rules Section 54.401(b)(1).

- c. What funding mechanism should be adopted to fund Lifeline and Linkup?

**Stipulation:** In addition to the federal funding mechanism for Lifeline and Link-up programs, an explicit state funding mechanism should be established for any TRA mandated reductions in end-user charges not funded from federal sources. State funding could come from an explicit surcharge on end-user bills, an explicit intrastate fund for Lifeline support, or by other means.

11. What support in addition to the Federal support already adopted by the TRA

should be provided to schools and libraries?

**Stipulation:** TCA §65-5-208(a)(1) requires pre-existing state discounts for schools and libraries be continued. However, the Parties agree that no additional state support should be implemented.

**Contested Issue:** Is an explicit support mechanism necessary for existing state educational discounts?

- a. The TRA should state specifically what discounts are available in Tennessee and at what levels.

**Stipulation:** The Parties agree that the TRA should specifically identify all school and libraries discounts available in Tennessee and the level for each.

- b. How does the TRA address pre-discount price complaints?

**Stipulation:** The existing complaint procedures should be followed with regard to any type of universal service complaint including but not limited to pre-discount complaints.

12. What should be provided to health care providers?

**Stipulation:** See Stipulation to Issue 12(a) below.

- a. Should the TRA provide support in addition to that provided for by the Act and the FCC?

**Stipulation:** No.

- b. If so, who should pay for it and how?

**Stipulation:** Not applicable.

13. How should the TRA monitor provision of supported service to determine if support is being used as intended until competition develops.

**Stipulation:** The TRA should continue to monitor the quality of service provided by ETCs until there are two or more ETCs offering services in a given service area.

- a. Does the TRA need cost allocation rules or accounting safeguards to determine that services supported do not bear more than a reasonable share of joint and common cost or otherwise unnecessarily subsidize a service?

**Stipulation:** No. Once universal service joint and common costs are determined in Phase II of this proceeding, cost allocation rules and accounting safeguards will not be necessary.

14. Are any changes in state laws or rules needed?

**Stipulation:** See Stipulations to 14(a) through 14(e).

a. Is there a conflict between federal statute provision that universal service support should be explicit and the Tennessee statute requirement?

**Stipulation:** No. The TRA should develop an explicit mechanism for universal service support.

b. How does the TRA reconcile state universal service statute with federal statute on "sufficient" universal service funding.

**Stipulation:** No reconciliation is necessary as there is no conflict between the statutes.

c. Will rules have to be changed to allow various regulatory schemes to provide for recovery of any universal service contributions?

**Stipulation:** At this time, the parties do not anticipate any changes to the rules, but future developments may warrant further review of this issue.

d. Will rules have to be changed to allow transition for carriers operating under various regulatory schemes?

**Stipulation:** At this time, the parties do not anticipate any changes to the rules, but future developments may warrant further review of this issue.

e. If legislation is needed to appoint third party administrator it must be obtained.

**Stipulation:** No. The provisions of TCA §65-5-207 convey broad authority to the TRA to create the appropriate universal support mechanism. This enabling provision includes the authority to identify a third party administrator and to promulgate rules and regulations for delegation of management responsibilities.

15. Should the access charge reform issues be incorporated into the schedule addressing Phase II of the universal service proceeding?

**Contested Issue.**

Respectfully submitted,

By: Charles B. Welch, Jr.

Charles B. Welch, Jr. - BPR #005539  
Attorney for Time Warner Communications of  
the Mid-South, L.P. and Tennessee Cable  
Telecommunications Association

(Signed with permission)  
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United Telephone-Southeast, Inc.  
Sprint Communications Company, L.P.  
MCI Telecommunications Corporation  
Citizens Telecommunications Company of  
Tennessee, L.L.C.  
Citizens Telecommunications Company of the  
Volunteer State, L.L.C.  
Coalition of Small LECs and Cooperatives

Farris, Mathews, Gilman, Branan & Hellen, P.L.C.  
511 Union Street, Suite 2400  
Nashville, Tennessee 37219  
Telephone: (615) 726-1200

#### CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Statement of Stipulations and Contested Issues, on all parties of record by placing a copy of same in the United States Mail, properly addressed and postage prepaid on this the 29<sup>th</sup> day of October, 1997.

Charles B. Welch, Jr.  
Charles B. Welch, Jr.



BellSouth Telecommunications, Inc. 615 214-6301  
Suite 2101 Fax 615 214-7406  
333 Commerce Street  
Nashville, Tennessee 37201-3300

November 7, 1997

Guy M. Hicks  
General Counsel

VIA HAND DELIVERY

David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Universal Service Generic Contested Case*  
Docket No. 97-00888

Dear Mr. Waddell:

Enclosed is the Stipulation of the Parties of Issues to Be Briefed executed by BellSouth Telecommunications, Inc. A copy has been provided to counsel of record.

Very truly yours,

Guy M. Hicks

GMH:ch

Enclosure

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**  
**NASHVILLE, TENNESSEE**

In Re:

**Universal Service; Generic  
 Contested Case**

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)  
)

**Docket No  
 97-00888**

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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

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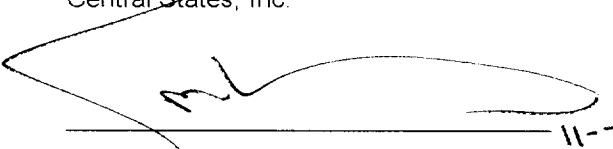
Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group, TCG MidSouth, Inc., and Tennessee Department of Environment, interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

**Stipulation:** The above-named parties agree that issue numbers 2, 3, 4, 6, 10, 11, 12, 13, 14 and 15 do not require the presentation of oral testimony at hearing, and instead, necessitate briefing by counsel appearing before the Authority in this matter and / or the filing of pre-filed direct testimony.

The parties agreement to this stipulation is indicated by the signature of counsel:

\_\_\_\_\_  
AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp.

  
\_\_\_\_\_  
BellSouth Telecommunications, Inc.

11-7-97

\_\_\_\_\_  
Ben Lomand Rural Telephone  
Cooperative

\_\_\_\_\_  
Citizens Local Exchange Carriers

\_\_\_\_\_  
Coalition of Small LECs and  
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\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

\_\_\_\_\_  
DeKalb Telephone Cooperative, Inc.

\_\_\_\_\_  
Electric Power Board of Chattanooga

\_\_\_\_\_  
GTE Mobilnet

\_\_\_\_\_  
MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

BellSouth Telecommunications, Inc. 615 214-6301  
Suite 2101 Fax 615 214-7406  
333 Commerce Street  
Nashville, Tennessee 37201-3300

November 7, 1997

Guy M. Hicks  
General Counsel

VIA HAND DELIVERY

RECEIVED  
TELECOMMUNICATIONS DIVISION  
TENNESSEE REGULATORY AUTHORITY

NOV 10 1997

David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Universal Service Generic Contested Case*  
Docket No. 97-00888

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Very truly yours,

Guy M. Hicks

GMH:ch

Enclosure

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**  
**NASHVILLE, TENNESSEE**

**In Re:**

**Universal Service; Generic  
 Contested Case**

)  
)  
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)  
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**Docket No  
 97-00888**

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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

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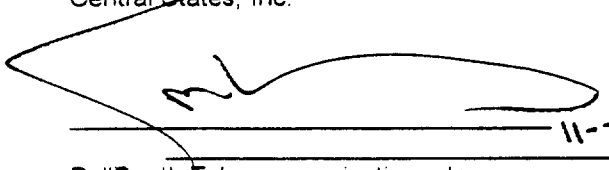
Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group, TCG MidSouth, Inc., and Tennessee Department of Environment, interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

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counsel:

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AT&T Communications of the South  
Central States, Inc.

\_\_\_\_\_  
BellSouth Cellular Corp.

  
\_\_\_\_\_  
BellSouth Telecommunications, Inc.

11-7-97

\_\_\_\_\_  
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Coalition of Small LECs and  
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\_\_\_\_\_  
Office of the Attorney General Consumer  
Advocate Division

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DeKalb Telephone Cooperative, Inc.

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Electric Power Board of Chattanooga

\_\_\_\_\_  
GTE Mobilnet

\_\_\_\_\_  
MCI Telecommunications Corp.

\_\_\_\_\_  
NEXTLINK Tennessee

\_\_\_\_\_  
North Central Telephone Cooperative

\_\_\_\_\_  
Time Warner Communications of the  
Mid-South

## CERTIFICATE OF SERVICE

I hereby certify that on November 7, 1997, a copy of the foregoing document was served on the parties of record, via U. S. Mail, postage pre-paid, addressed as follows:

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Johnson City, TN 37604

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Regulatory Affairs Manager  
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Huntsville, AL 35802

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Yorkville Telephone Cooperative  
Yorkville, TN 38389

Glen B. Sears  
General Manager  
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Atlanta, GA 30367

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Stokes & Bartholomew  
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T. G. Pappas  
Bass, Berry & Sims  
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Henry M. Walker, Esquire  
Boult, Cummings, et al.  
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Wake Forest, NC 27587

Dennis McNamee, Esquire  
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Wayne Gassaway, Manager  
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Phoenix Network  
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Golden, CO 80401

Jane Walters, Commissioner  
Department of Education  
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Nashville, TN 37423-0375

Jack McFadden, Director  
Dept. of Finance & Administration  
598 James Robertson Parkway  
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Swidler & Berlin  
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Gullett, Sanford, Robinson & Martin  
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D. Billye Sanders, Esquire  
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Nashville, TN 37219-8966

Fred L. Terry  
General Manager  
Highland Telephone Cooper  
P. O. Box 119  
Sunbright, TN 37872

Michael Romano  
Mark Pasko  
Swidler & Berlin  
3000 K. St., NW, #300  
Washington, DC 20007-5116

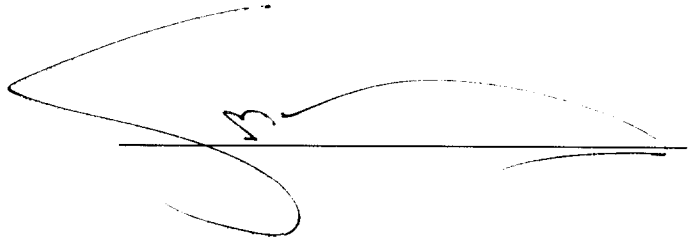
Proctor Upchurch, Esquire  
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Woodmere Mall  
Crossville, TN 38557-3549

Sheila Davis  
Chaz Taylor, Inc.

3401 West End Ave., #318  
Nashville, TN 37203

James W. Dempster, Esquire  
Ben Lomand Rural Telephone Co-opp.  
P. O. Box 332  
McMinnville, TN 37111-0332

Kim Lynnora Kirk, Esquire  
TN Dept of Environment  
312 Eighth Ave., N.  
Nashville, TN 37243-1458

A handwritten signature in black ink, appearing to be 'M. Kirk', is written over a horizontal line. The signature is stylized with a large, sweeping initial 'M' and a long, horizontal stroke extending to the right.

**WALLER LANSDEN DORTCH & DAVIS**

A PROFESSIONAL LIMITED LIABILITY COMPANY

NASHVILLE CITY CENTER

511 UNION STREET, SUITE 2100

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NASHVILLE, TENNESSEE 37219-8966

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(615) 244-5686

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809 SOUTH MAIN STREET  
P. O. Box 1035  
COLUMBIA, TN 38402-1035  
(615) 388-6031

D. Billye Sanders  
(615) 252-2451

November 7, 1997

**Via Hand-Delivery**

K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
450 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Re: Universal Service Generic Contested Case  
Docket No. 97-00888; Response to: (A) Stipulation of the  
Parties of Issues to be Briefed and (B) Statement of  
Stipulation and Contested Issues**

Dear Mr. Waddell:

**A. Stipulation of Parties of Issues to be Briefed:**

Attached you will find the Stipulation of the Parties of Issues to be Briefed executed on behalf of TCG MidSouth, Inc. ("TCG").

**B. Statement of Stipulations and Contested Issues:**

TCG does not object to the Statement of Stipulations and Contested Issues filed by various parties in this docket on October 27, 1997, except for the purpose of correction and clarification of certain provisions. Consequently, TCG recommends the following changes:

1. Stipulation 1 sets forth the services to be supported by Tennessee Universal Service. Item 1(3) should read: "DTMF (dual-tone multi-frequency) signaling or its functional equivalent". The current Statement of Stipulations on file with the Commission says "equipment" instead of "equivalent".

David Waddell  
November 7, 1997  
Page 2

2. Stipulation 1b responds to the question: "Should we provide support in addition to federal mandated services?" This stipulation should be further qualified to include Lifeline and Link-up Tennessee as services that should be supported in addition to federally mandated services. The following language is suggested:

"No. Additional services should not be supported at this time, except Lifeline, Link-up Tennessee and services to maintain the educational discounts existing on the effective date of T.C.A. § 65-5-208(a)(1)."

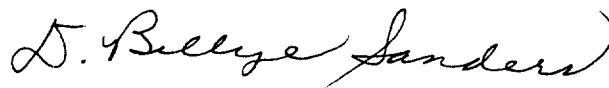
This language will make Stipulation 1b consistent with the portion of the Stipulation 1 which lists Lifeline and Link-up Tennessee as services to be supported by the Tennessee universal service support system.

3. Stipulation 6a should be clarified with respect to the citation for the definition of "telecommunications carrier" in the Telecommunications Act. The appropriate citation is 47 USC § 153(44).

\* \* \*

As a point of information to the Authority, TCG does not intend to file a brief or direct testimony on November 12, 1997, however, TCG reserves the right to file a reply brief and/or rebuttal testimony on December 2.

Sincerely,



D. Billye Sanders  
Attorney for TCG MidSouth, Inc.

DBS:lmb  
Enclosures

cc: Parties of Record

## BEFORE THE TENNESSEE REGULATORY AUTHORITY

## NASHVILLE, TENNESSEE

In Re:

Universal Service; Generic  
Contested Case)  
)  
)  
)  
)Docket No  
97-00888

---

STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED

---

Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTLINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group, TCG MidSouth, Inc., and Tennessee Department of Environment, interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

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Time Warner Communications of the  
Mid-South

\_\_\_\_\_

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West Kentucky Rural Telephone Cooperative  
Corp.

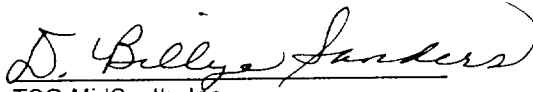
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Yorkville Telephone Cooperative

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Tennessee Municipal Telecommunications  
Group

---

  
TCG MidSouth, Inc.

---

Tennessee Department of Environment and  
Conservation

---

Bledsoe Telephone Cooperative

---

Highland Telephone Cooperative, Inc.

1400 16th Street, 1  
Suite 500  
Washington, DC 20036  
(202) 332-5922 office  
(202) 483-9277 fax  
dtettelba@czn.com e-mail

**COPY**

RICHARD M. TETTELBAUM Associate General Counsel

NOV 5 11 21 AM '97

SECRETARY



November 5, 1997

**TELECOPIED and**  
**FEDERAL EXPRESS**

David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Docket No. 97-000888, Universal Service Generic Case

Dear Mr. Waddell:

I am enclosing a copy of Citizens LECs' Objection to Discovery Request Filed By AT&T Communications of the South Central States, Inc. The original and ten hard copies will follow by Federal Express for delivery tomorrow morning.

Tomorrow's Federal Express package will include an executed copy of the Stipulation of the Parties Of Issues To Be Briefed. The Citizens LECs names were not included on the stipulation's signature page. I have written in a space.

Yours very truly,

A handwritten signature in black ink, appearing to read "RM Tettelbaum", with a long horizontal line extending to the right.

Richard M. Tettelbaum

cc (w/ encl.):

Parties of Record  
Donald Innes  
J. Michael Swatts

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

<b>In Re:</b>	)	
	)	
<b>Universal Service Generic Contested Case</b>	)	<b>Docket No.</b>
	)	<b>97-00888</b>

**THE CITIZENS LECS' OBJECTION TO DISCOVERY REQUEST FILED  
BY AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.**

Citizens Telecommunications Company of Tennessee, LLC and Citizens Telecommunications Company of the Volunteer State, (collectively referred to as the "Citizens LECS"), by their attorney, hereby object to the discovery request filed by AT&T Communications of the South Central States, Inc. ("AT&T"), and respectfully show as follows:

1. On October 30, 1997, ostensibly pursuant to the Phase 1 schedule, as revised October 17, 1997, AT&T served a set of ten interrogatories upon the Citizens LECS. The first nine interrogatories request data on revenues from different types of intrastate services and facilities and services; the tenth requests data on line counts associated with several intrastate services. Counsel for the Citizens LECS received the interrogatories at 3:00 p.m. on November 3, 1997, two days before responses were due.<sup>1</sup>

2. The Phase 1 schedule in this proceeding is clearly labeled "Non-Cost Issues." The AT&T interrogatories do not address any issue identified in the Phase 1 schedule.<sup>2</sup> Accordingly, they are irrelevant to any issue in Phase 1.

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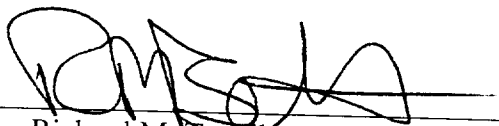
<sup>1</sup> Even if the AT&T interrogatories were not objectionable as irrelevant to any Phase 1 issue, the Citizens LECS would need two weeks, not two days, to respond.

<sup>2</sup> The Citizens LECS do not believe that the AT&T interrogatories are even relevant to any Phase 2 cost issues. They address revenues, not costs. Their relevance, if any, is in the generic access reform proceeding.

3. The Citizens LECs object to the AT&T interrogatories and request that they be relieved from providing an answer.

Respectfully submitted,

CITIZENS TELECOMMUNICATIONS  
COMPANY OF TENNESSEE, LLC  
and  
CITIZENS TELECOMMUNICATIONS  
COMPANY OF THE VOLUNTEER STATE, LLC

By:   
Richard M. Tettelbaum, Associate General  
Counsel

Citizens Telecom  
Suite 500, 1400 16th St., N.W.  
Washington, D.C. 20036

(202) 332-5922

November 5, 1997

## CERTIFICATE OF SERVICE

I, Richard M. Tettelbaum, hereby certify that a true and exact copy of the foregoing has been served on counsel of record and other interested parties via First Class Mail postage prepaid, this 5th day of November 1997.



Richard M. Tettelbaum

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BellSouth Telecommunications  
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Richard Smith, President  
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Johnson City, TN 37604

State Department of Education  
Attn: Jane Walters  
Commissioner  
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Jack McFadden  
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360° Communications Company  
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Director External Affairs  
8725 W. Higgins Road  
Chicago, IL 60631

**BEFORE THE TENNESSEE REGULATORY AUTHORITY****NASHVILLE, TENNESSEE****In Re:****Universal Service; Generic  
Contested Case**)  
)  
)  
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)**Docket No  
97-00888**

---

**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

---

Comes now, AT&T Communications of the South Central States, Inc., BellSouth Cellular Corp., BellSouth Telecommunications, Inc., Ben Lomand Rural Telephone Cooperative, Citizens Local Exchange Carriers, Coalition of Small LECs and Cooperatives, Office of the Attorney General Consumer Advocate Division, DeKalb Telephone Cooperative, Inc., Electric Power Board of Chattanooga, GTE Mobilnet, MCI Telecommunications Corp., NEXTELINK Tennessee, North Central Telephone Cooperative, Time Warner Communications of the Mid-South, Twin Lakes Telephone Co., United Telephone-Southeast and Sprint Communications L.P., West Kentucky Rural Telephone Cooperative Corp., Yorkville Telephone Cooperative, the Tennessee Municipal Telecommunications Group., TCG MidSouth, Inc., and Tennessee Department of Environment, interested parties in this matter, and submit their statement of stipulation as to the issues requiring briefing in this matter before the Tennessee Regulatory Authority, as follows:

**Stipulation:** The above-named parties agree that issue numbers 2, 3, 4, 6, 10, 11, 12, 13, 14 and 15 do not require the presentation of oral testimony at hearing, and instead, necessitate briefing by counsel appearing before the Authority in this matter and / or the filing of pre-filed direct testimony.

The parties agreement to this stipulation is indicated by the signature of counsel:

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Coalition of Small LECs and  
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Office of the Attorney General Consumer  
Advocate Division

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DeKalb Telephone Cooperative, Inc.

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Electric Power Board of Chattanooga

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GTE Mobilnet

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MCI Telecommunications Corp.

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NEXTLINK Tennessee

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North Central Telephone Cooperative

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Time Warner Communications of the  
Mid-South

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Twin Lakes Telephone Co

United Telephone-Southeast and  
Sprint Communications L.P.

West Kentucky Rural Telephone Cooperative  
Corp.

Yorkville Telephone Cooperative

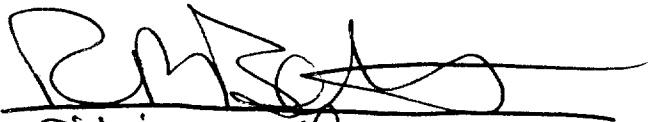
Tennessee Municipal Telecommunications  
Group

TCG MidSouth, Inc

Tennessee Department of Environment and  
Conservation

Bledsoe Telephone Cooperative

Highland Telephone Cooperative, Inc.

  
Citizens Telecommunicators  
Company of Tennessee LLC +  
Citizens Telecommunicators  
Company of the Volunteer  
State, LLC

**TRABUE, STURDIVANT & DEWITT**

ATTORNEYS AT LAW

2500 NASHVILLE CITY CENTER  
511 UNION STREET  
NASHVILLE, TENNESSEE 37219-1738  
TELECOPIER (615) 256-8197  
(615) 244-9270

DAN H. ELROD

WRITER'S DIRECT EXTENSION No. 526

October 31, 1997

**Via Facsimile and U.S. Mail**

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-505

RE: Universal Service Generic Contested Case  
Docket No. 97-00888

Dear Mr. Waddell:

On behalf of GTE Mobilnet, please find enclosed a copy of the executed stipulation relative to the issues to be briefed.

A copy of this letter and the attachment is being sent to counsel of record.

Thank you for your attention to this matter.

Very truly yours,



Dan H. Elrod

DHE/dos  
Enclosed

cc: Parties of Record

**BEFORE THE TENNESSEE REGULATORY AUTHORITY****NASHVILLE, TENNESSEE****In Re:****Universal Service; Generic  
Contested Case**)  
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)  
)  
)**Docket No  
97-00888**

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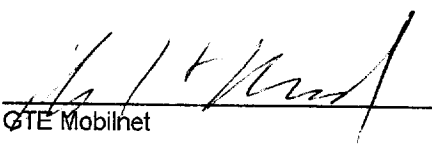
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**BEFORE THE TENNESSEE REGULATORY AUTHORITY****NASHVILLE, TENNESSEE****In Re:****Universal Service; Generic  
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**STIPULATION OF THE PARTIES OF ISSUES TO BE BRIEFED**

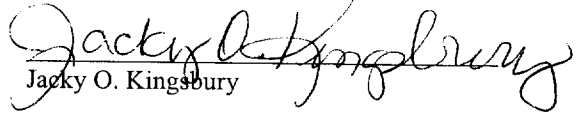
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CERTIFICATE OF SERVICE

I hereby certify that on November 3, 1997, a copy of the foregoing document was served on the parties of record, via U. S. Mail, postage pre-paid.

  
Jacky O. Kingsbury